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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

Company name: YOKOWO CO.,LTD.

Stock exchange listing: Tokyo

Code number: 6800

URL: <https://www.yokowo.co.jp/>

Representative: Takayuki Tokuma

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2022

Scheduled date of commencing dividend payments: June 29, 2022

Scheduled date of filing annual securities report: June 28, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

Representative Director, President and Executive Officer
Director, Senior Managing Executive Officer

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	66,848	11.5	4,684	(9.6)	6,529	22.7	4,663	22.1
March 31, 2021	59,976	(1.0)	5,179	5.3	5,320	16.1	3,818	11.0

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 6,185 million [12.1%]
Fiscal year ended March 31, 2021: ¥ 5,516 million [113.2%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	202.28	-	11.6	10.6	7.0
March 31, 2021	184.55	183.18	12.2	10.1	8.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 42 million
Fiscal year ended March 31, 2021: ¥ (24) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	66,870	44,328	66.2	1,899.19
March 31, 2021	56,868	36,202	63.6	1,640.21

(Reference) Equity: As of March 31, 2022: ¥ 44,272 million
As of March 31, 2021: ¥ 36,152 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	3,677	(5,967)	171	13,816
March 31, 2021	5,139	(4,619)	1,905	15,295

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	16.00	-	20.00	36.00	765	19.5	2.4
March 31, 2022	-	18.00	-	22.00	40.00	932	19.8	2.3
Fiscal year ending								
March 31, 2023 (Forecast)	-	23.00	-	23.00	46.00		22.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023:

Commemorative dividend	40 yen
Special dividend	6 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	33,700	8.8	2,700	34.8	2,400	9.0	1,650	8.1	70.78
Full year	73,000	9.2	7,000	49.4	6,700	2.6	4,700	0.8	201.62

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-
Exclusion:	-

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022:	23,849,878 shares
March 31, 2021:	22,579,878 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022:	538,808 shares
March 31, 2021:	538,426 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022:	23,053,642 shares
Fiscal Year ended March 31, 2021:	20,689,050 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	57,072	13.3	2,696	27.7	5,545	86.5	4,095	85.7
March 31, 2021	50,356	(3.1)	2,112	8.6	2,973	53.4	2,205	47.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	177.63	-
March 31, 2021	106.59	105.80

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	48,888	29,465	60.3	1,264.01
March 31, 2021	42,045	23,542	56.0	1,067.70

(Reference) Equity: As of March 31, 2022: ¥ 29,465 million
As of March 31, 2021: ¥ 23,533 million

Explanation of the proper use of financial results forecast and other notes

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially from the forecast depending on a range of factors. For a discussion of the assumptions and other factors considered by the Company in preparing projections, please refer to page 5 of the attachments, "1. Overview of Operating Results, etc., (4) Future Outlook."

Contents of Attachments

1. Overview of Operating Results, etc.	5
(1) Overview of Operating Results	5
(2) Overview of Financial Position	6
(3) Overview of Cash Flows	7
(4) Future Outlook	8
2. Basic Policy for the Selection of Accounting Standards	9
3. Consolidated Financial Statements	10
Consolidated Balance Sheets	10
Consolidated Statements of Income and Comprehensive Income	12
Consolidated Statements of Changes in Net Assets	14
Consolidated Statements of Cash Flows	16
Notes to Consolidated Financial Statements	18
(Notes on going concern assumptions)	18
(Changes in accounting policies)	18
Segment and Other Information	18
(Per share information)	23
Significant Subsequent Events	23

1. Overview of Operating Results, etc

(1) Overview of Operating Results

Net sales in the consolidated fiscal year under review amounted to ¥66,848 million, an increase of 11.5% year on year, reflecting decreased year-on-year sales in the Personal Communication Equipment segment which were more than offset by increased year-on-year sales in both the Vehicle Communication Equipment and Circuit Testing Connector segments. The Company reported operating profit of ¥4,684 million, falling 9.6% year on year, largely because the Personal Communication Equipment segment posted lower profit due to cost increases and changes in the business structure and the Vehicle Communication Equipment segment showed a loss due to higher physical distribution cost, and cost increases associated with rising raw materials prices and a weaker yen, despite substantial year-on-year profit growth in the Circuit Testing Connector segment as a result of increased sales. Ordinary profit increased 22.7% year on year, to ¥6,529 million, reflecting an exchange gain of ¥1,763 million attributable to the weakening of the yen, among other factors. Profit attributable to owners of parent increased by 22.1% year on year, to ¥4,663 million mainly due to a rise in ordinary profit.

Whilst operating profit fell year on year as explained above, net sales, ordinary profit and profit attributable to owners of parent all reached record highs.

Results by segment are as follows :

<Vehicle Communication Equipment>

In the automobile market, the main market for this segment, the global shortage of semiconductors and the delays in parts procurement and other impacts by outbreaks of COVID-19 variants persisted throughout the fiscal year, preventing a full-scale recovery in production. A breakdown by region shows that new vehicle sales increased year on year in the US and China but fell in Europe and Japan.

In these circumstances, mainstay products for car manufactures that are sold in Japan and overseas, such as shark fin antennas and GPS antennas, ETC antennas, and other products mainly marketed in Japan, achieved net sales substantially exceeding the levels year on year due to the reaction to the production cutbacks from the first quarter despite a decrease in orders by the production adjustments at automobile manufacturers from the second quarter.

As a result, sales for this segment increased year on year, to ¥40,081 million (up 7.5% year on year). The segment reported a loss of ¥1,443 million (a gain of ¥443 million in the previous fiscal year), reflecting higher physical distribution cost attributable chiefly to a surge in ocean freight, higher labor costs at production bases in China and Vietnam associated with appreciation of the local currencies, cost increases caused by rising materials prices, and the maintenance of the production system in anticipation of a recovery in production at automobile manufacturers.

<Circuit Testing Connector>

In the semiconductor testing market, the main market for this segment, demand related to testing remains very strong, reflecting strong demand for high-end personal computers associated with the expansion of telework and online learning and tight supply of semiconductors for electronics equipment including cloud services and smartphones.

In these circumstances, sales of jigs for semiconductor back-end testing, the main product of the Group, were higher year on year, due to an increase in strong orders and launching on mass production of new products for logic semiconductor testing sockets and sockets for high-frequency testing. Sales of jigs for semiconductor front-end testing increased year on year due to a steady expansion in the turnkey business that offers one-stop solutions services including peripheral devices. Demand for MEMS probe cards (YPX) for high-frequency electronics components testing rose significantly, reflecting the penetration of 5G smartphones, and sales of the probe cards exceeded the year-ago level.

As a result, sales for this segment increased year on year, to ¥17,625 million (up 33.1% year on year). The segment reported a profit of ¥4,871 million (up 81.6% year on year) largely due to increased sales and higher profit associated with a weaker yen as well as an increase in the ratio of products with comparatively high profit margins, despite cost increases caused by rising raw materials prices.

<Personal Communication Equipment>

In the market for mobile communication terminals, a key market for this segment, sales of smartphones were on a downward trend. However, sales of wearable terminals are expected to grow given their diversification and greater sophistication. The POS terminal market has been growing steadily in a wide range of industries, including those engaging in logistics and manufacturing, with a view toward improvements in operational efficiency through information management. In addition, other markets including the market for industrial equipment are also expected to grow.

In these circumstances, net sales for the fine connector business, for which fine spring connectors act as core products, decreased year-on-year, reflecting a decrease in sales of products for POS terminals and products for wearable devices, such as wireless earbuds, from the second quarter on due to the global shortage of semiconductors and production adjustments at customers caused by a resurgence of COVID-19 in ASEAN.

In the medical device business, which is included in the segment, sales increased year on year, reflecting sales of new unit-based devices and growth in sales to Venture Ecosystem from the second half, which offset weaker orders in the first half due to the impact of the COVID-19 pandemic.

As a result, sales for this segment decreased year on year, to ¥9,141 million (down 3.2% year on year). The segment posted a profit of ¥1,256 million (down 39.1% year on year) chiefly owing to lower profit on the back of lower sales in the fine connector business as well as a higher labor cost ratio at production bases in China mainly due to a strong yuan, and changes in the business structure.

Consolidated Net Sales by Business Segment (year on year)

	Fiscal year ended March 31, 2021 (Million yen)	Fiscal year ended March 31, 2022 (Million yen)	Increase/ (decrease) (%)
Vehicle Communication Equipment	37,292	40,081	+7.5
Circuit Testing Connector	13,242	17,625	+33.1
Personal Communication Equipment	9,441	9,141	(3.2)
Total	59,976	66,848	+11.5

Consolidated Net Sales by Business Segment (Fiscal year ended March 31, 2022)

	1st quarter-end Apr. – Jun. (Million yen)	2nd quarter-end Jul. – Sep. (Million yen)	3rd quarter-end Oct. – Dec. (Million yen)	4th quarter-end Jan. – Mar. (Million yen)
Vehicle Communication Equipment	10,184	8,658	10,244	10,994
Circuit Testing Connector	3,400	4,140	5,267	4,816
Personal Communication Equipment	2,437	2,148	2,247	2,308
Total	16,021	14,947	17,758	18,120

(2) Overview of Financial Position

(Assets)

Assets stood at ¥66,870 million at the end of the consolidated fiscal year under review (a gain ¥10,001 million in the end of the previous fiscal year). This was due primarily to increases of ¥2,031 million in notes and accounts receivable-trade, ¥5,368 million in inventories and ¥2,635 million in property, plant and equipment. The increase in notes and accounts receivable-trade is mainly attributable to a surge of orders resulting in higher sales in the Circuit Testing Connector segment. Meanwhile, the sharp rise in inventories reflects an increase in inventories in transit caused by extension of ocean freight and air freight lead times on a global scale and hikes in production and inventory levels to maintain supply in view of longer lead times in the Vehicle Communication Equipment segment.

(Liabilities)

Liabilities stood at ¥22,541 million at the end of the consolidated fiscal year under review (a gain ¥1,875 million from the end of the previous fiscal year) largely due to increases of ¥1,499 million in notes and accounts payable-trade, ¥1,600 million in long-term borrowings and ¥751 million in income taxes payable, which offset outflows such as a decrease of ¥3,400 million in Current

portion of long-term borrowings. The rise in notes and accounts payable-trade is chiefly attributable to increased purchases of parts and materials on expectation of significant expansion in production next fiscal year in both the Vehicle Communication Equipment and Circuit Testing Connector segments.

(Net assets)

Net assets amounted to ¥44,328 million at the end of the consolidated fiscal year under review (a gain ¥8,125 million from the end of the previous fiscal year). This primarily reflects increases of ¥1,431 million in capital stock and ¥1,431 million in capital surplus as a result of capital increase by way of third-party allotment, the recording of profit attributable to owners of parent of ¥4,663 million, an increase of ¥1,789 million in foreign currency translation adjustment, and dividends of surplus of ¥860 million.

(Equity ratio)

The equity ratio was 66.2% at the end of the consolidated fiscal year under review (up 2.6 percentage points from the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows

Cash and cash equivalents came to ¥13,816 million at the end of the consolidated fiscal year under review, down ¥1,478 million year on year.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥3,677 million (a decrease in net cash provided of ¥1,461 million year on year), attributable to inflows such as profit before income taxes of ¥6,459 million and depreciation of ¥3,302 million, which offset outflows such as an increase in inventories of ¥4,190 million, reflecting an increased inventories in transit and hikes in production and inventory levels to maintain supply in the Vehicle Communication Equipment segment.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,967 million (an increase in net cash used of ¥1,348 million year on year), primarily due to outflows such as purchase of property, plant and equipment of ¥4,739 million, mainly attributable to the construction of a plant in the Philippines, and purchase of intangible assets of ¥530 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥171 million (a decrease in net cash provided of ¥1,734 million year on year), chiefly owing to inflows such as proceeds from the issuance of shares of ¥2,853 million and proceeds from long-term loans payable of ¥1,600 million, versus outflows such as decrease in long-term loans payable of ¥3,400 million and payments of dividends of surplus of ¥860 million.

(4) Future Outlook

The following are our assumptions for the results forecast for the fiscal year ending March 31, 2023.

- COVID-19 shows no signs of abating and will remain unpredictable. We will prioritize strict infection control measures at our production bases and expect that we will be able to operate stably.
- In the automobile market, the main market for the Company, demand is recovering. However, the lingering impact of the global shortage of semiconductors and resin material is expected to continue in the first half of the fiscal year under review.
- In the semiconductor testing market, 5G-related demand will likely increase, while the supply chain disruption and high raw material prices are expected to remain, chiefly due to the impact from the COVID-19 infections and Russia's invasion of Ukraine.
- In the market for mobile communication terminals, the growth of POS terminals and other electronic terminals is expected to stagnate throughout the first half of the fiscal year under review due to the global shortage of semiconductors.
- In the advanced medical equipment market, the situation of the hard-pressed medical front associated with the spread of COVID-19 infections has been mitigated, attributable to progress in vaccinations and the shift in various countries to a policy of coexisting with COVID-19. We expect demand in this market to grow in the future.

Based on these assumptions, our forecasts for net sales and each profit for the first six months (first half) and the full-year are as shown in the table above.

We base our performance forecasts below on an exchange rate of ¥120 against US\$.

(1) Forecasts for the first six months of the fiscal year (first half)

Our forecast for net sales for the first half is as shown in the table above. This reflects projected increases in net sales compared to the same period of the previous year in both the Vehicle Communication Equipment segment and the Circuit Testing Connector segment, despite an anticipated year-on-year decline in net sales in the Personal Communication Equipment segment.

Our forecast for operating profit is as shown in the table above. An increase accompanied by sales growth is expected in the Circuit Testing Connector segment, although costs are projected to increase in the Vehicle Communication Equipment segment due to upward pressure to logistics cost from persistently high ocean freight, rises in labor costs at our production bases in China and Vietnam caused by labor shortages and the appreciation of local currencies, and upsurges in raw material costs.

Our forecasts for ordinary profit and profit attributable to owners of parent are as shown in the table above, which incorporate a foreign exchange loss of ¥300 million based on an exchange rate of ¥120 against US\$.

(2) Full-year forecasts

We anticipate a recovery in net sales both in the Vehicle Communication Equipment segment and the Personal Communication Equipment segment as shown in the table above, attributable to a gradual reduction of the impact from the shortage of semiconductors starting in the second half of the fiscal year under review, and an increase in orders driven by raised production capacity in the Circuit Testing Connector segment.

Our forecast for operating profit is as shown in the table above. This reflects an improvement projected in the Vehicle Communication Equipment segment attributable to review of pricing structure to deal with rapid cost increases caused by upsurges in logistics and raw materials costs, in addition to cost cutting initiatives at production bases, as well as an increase in profit accompanied by sales growth in the Circuit Testing Connector segment.

Based on our assumptions of an exchange rate of ¥120 against US\$ and no foreign exchange gain or loss, our forecasts for ordinary profit and profit attributable to owners of parent are as shown in the table above.

Consolidated Financial Results for the six months ended September 30, 2021 and Forecast for the six months ending September 30, 2022

(Unit : Million yen, %)

	Consolidated Financial Results for the six months ended September 30, 2021 (Million yen)	Consolidated Financial Results Forecast for the six months ending September 30, 2022 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	30,969	33,700	+2,730	+8.8
Vehicle Communication Equipment	18,843	18,500	(343)	(1.8)
Circuit Testing Connector	7,540	10,500	+2,959	+39.3
Personal Communication Equipment	4,585	4,700	+114	+2.5
Operating profit	2,003	2,700	+696	+34.8
Vehicle Communication Equipment	(488)	(425)	+63	—
Circuit Testing Connector	1,755	2,550	+794	+45.3
Personal Communication Equipment	736	575	(161)	(21.9)
Ordinary profit	2,202	2,400	+197	+9.0
Profit attributable to owners of parent	1,526	1,650	+123	+8.1

Consolidated Financial Result for the fiscal year ended March 31, 2022 and Forecast for the Fiscal Year Ending March 31, 2023

(Unit : Million yen, %)

	Consolidated Financial Results for the fiscal year ended March 31, 2022 (Million yen)	Consolidated Financial Results Forecast for the fiscal year ending March 31, 2023 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net Sales	66,848	73,000	+6,151	+9.2
Vehicle Communication Equipment	40,081	41,000	+918	+2.3
Circuit Testing Connector	17,625	21,500	+3,874	+22.0
Personal Communication Equipment	9,141	10,500	+1,358	+14.9
Operating profit	4,684	7,000	+2,315	+49.4
Vehicle Communication Equipment	(1,443)	0	+1,443	—
Circuit Testing Connector	4,871	5,600	+728	+15.0
Personal Communication Equipment	1,256	1,400	+143	+11.4
Ordinary profit	6,529	6,700	+170	+2.6
Profit attributable to owners of parent	4,663	4,700	+36	+0.8

2. Basic Policy for the Selection of Accounting Standards

The Group will continue to use the Japanese standard in the foreseeable future but will discuss adopting the IFRS, taking into consideration national and international movements, among other things.

3. Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	15,463	13,816
Notes and accounts receivable - trade	11,026	13,057
Merchandise and finished goods	6,062	8,900
Work in process	441	742
Raw materials and supplies	3,808	6,037
Other	1,618	1,992
Allowance for doubtful accounts	(3)	(8)
Total current assets	38,417	44,540
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,546	8,085
Accumulated depreciation	(4,009)	(4,341)
Buildings and structures, net	3,537	3,744
Machinery, equipment and vehicles	13,073	14,626
Accumulated depreciation	(8,210)	(9,651)
Machinery, equipment and vehicles, net	4,862	4,975
Tools, furniture and fixtures	9,728	11,331
Accumulated depreciation	(7,236)	(8,479)
Tools, furniture and fixtures, net	2,491	2,852
Land	761	761
Leased assets	2,440	2,552
Accumulated depreciation	(1,140)	(1,310)
Leased assets, net	1,300	1,241
Construction in progress	956	2,970
Total property, plant and equipment	13,909	16,544
Intangible assets		
Leased assets	14	5
Other	988	1,156
Total intangible assets	1,003	1,162
Investments and other assets		
Investment securities	1,730	1,587
Retirement benefit asset	726	680
Deferred tax assets	344	678
Other	738	1,676
Total investments and other assets	3,539	4,623
Total non-current assets	18,451	22,330
Total assets	56,868	66,870

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,491	7,991
Short-term borrowings	5,024	5,570
Current portion of long-term borrowings	3,400	-
Lease liabilities	310	343
Income taxes payable	725	1,476
Provision for bonuses	673	871
Other	3,255	3,930
Total current liabilities	19,880	20,184
Non-current liabilities		
Long-term borrowings	-	1,600
Lease liabilities	420	259
Deferred tax liabilities	154	123
Retirement benefit liability	202	368
Long-term accounts payable - other	8	6
Total non-current liabilities	785	2,357
Total liabilities	20,666	22,541
Net assets		
Shareholders' equity		
Share capital	6,387	7,819
Capital surplus	6,373	7,804
Retained earnings	22,199	25,950
Treasury shares	(633)	(634)
Total shareholders' equity	34,326	40,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	430
Foreign currency translation adjustment	845	2,635
Remeasurements of defined benefit plans	437	267
Total accumulated other comprehensive income	1,825	3,332
Share acquisition rights	8	-
Non-controlling interests	41	56
Total net assets	36,202	44,328
Total liabilities and net assets	56,868	66,870

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	59,976	66,848
Cost of sales	47,080	53,638
Gross profit	12,895	13,209
Selling, general and administrative expenses	7,715	8,525
Operating profit	5,179	4,684
Non-operating income		
Interest income	16	24
Dividend income	41	44
Share of profit of entities accounted for using equity method	-	42
Foreign exchange gains	192	1,763
Other	65	73
Total non-operating income	316	1,948
Non-operating expenses		
Interest expenses	70	51
Share of loss of entities accounted for using equity method	24	-
Commission expenses	13	16
Share acquisition rights issuance costs	26	18
Compensation expenses	30	-
Other	9	16
Total non-operating expenses	175	103
Ordinary profit	5,320	6,529
Extraordinary income		
Gain on sale of non-current assets	5	2
Gain on sale of investment securities	28	2
Total extraordinary income	34	4
Extraordinary losses		
Loss on retirement of non-current assets	73	73
Loss on sale of non-current assets	0	1
Loss on sale of investment securities	-	0
Loss on valuation of investment securities	139	-
Total extraordinary losses	213	74
Profit before income taxes	5,140	6,459
Income taxes - current	1,236	2,027
Income taxes - deferred	70	(240)
Total income taxes	1,306	1,786
Profit	3,834	4,673
Profit attributable to non-controlling interests	15	9
Profit attributable to owners of parent	3,818	4,663

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	3,834	4,673
Other comprehensive income		
Valuation difference on available-for-sale securities	459	(112)
Foreign currency translation adjustment	910	1,795
Remeasurements of defined benefit plans, net of tax	312	(170)
Total other comprehensive income	1,682	1,512
Comprehensive income	5,516	6,185
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,499	6,170
Comprehensive income attributable to non-controlling interests	17	14

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,996	3,981	19,045	(664)	26,359
Changes during period					
Dividends of surplus			(649)		(649)
Issuance of new shares - exercise of share acquisition rights	2,391	2,391			4,782
Profit attributable to owners of parent			3,818		3,818
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares			(14)	31	17
Net changes in items other than shareholders' equity					
Total changes during period	2,391	2,391	3,154	30	7,967
Balance at end of period	6,387	6,373	22,199	(633)	34,326

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	84	(64)	124	144	3	24	26,532
Changes during period							
Dividends of surplus							(649)
Issuance of new shares - exercise of share acquisition rights							4,782
Profit attributable to owners of parent							3,818
Purchase of treasury shares							(1)
Disposal of treasury shares							17
Net changes in items other than shareholders' equity	459	909	312	1,681	5	17	1,703
Total changes during period	459	909	312	1,681	5	17	9,670
Balance at end of period	543	845	437	1,825	8	41	36,202

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,387	6,373	22,199	(633)	34,326
Cumulative effects of changes in accounting policies			(51)		(51)
Restated balance	6,387	6,373	22,147	(633)	34,274
Changes during period					
Dividends of surplus			(860)		(860)
Issuance of new shares - exercise of share acquisition rights	1,431	1,431			2,862
Profit attributable to owners of parent			4,663		4,663
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	1,431	1,431	3,802	(1)	6,664
Balance at end of period	7,819	7,804	25,950	(634)	40,939

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	543	845	437	1,825	8	41	36,202
Cumulative effects of changes in accounting policies							(51)
Restated balance	543	845	437	1,825	8	41	36,150
Changes during period							
Dividends of surplus							(860)
Issuance of new shares - exercise of share acquisition rights							2,862
Profit attributable to owners of parent							4,663
Purchase of treasury shares							(1)
Disposal of treasury shares							-
Net changes in items other than shareholders' equity	(112)	1,789	(170)	1,507	(8)	14	1,513
Total changes during period	(112)	1,789	(170)	1,507	(8)	14	8,177
Balance at end of period	430	2,635	267	3,332	-	56	44,328

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	5,140	6,459
Depreciation	2,987	3,302
Increase (decrease) in allowance for doubtful accounts	(0)	4
Increase (decrease) in provision for bonuses	64	181
Increase (decrease) in net defined benefit asset and liability	(176)	(33)
Interest and dividend income	(58)	(69)
Interest expenses	70	51
Foreign exchange losses (gains)	(328)	(320)
Share of loss (profit) of entities accounted for using equity method	24	(42)
Loss (gain) on sale of non-current assets	(5)	(0)
Loss on retirement of non-current assets	73	73
Loss (gain) on sale of investment securities	(28)	(2)
Loss (gain) on valuation of investment securities	139	-
Decrease (increase) in trade receivables	300	(612)
Decrease (increase) in inventories	(1,263)	(4,190)
Increase (decrease) in trade payables	(471)	(100)
Other, net	39	338
Subtotal	6,509	5,039
Interest and dividends received	58	69
Interest paid	(71)	(52)
Income taxes paid	(1,357)	(1,378)
Net cash provided by (used in) operating activities	5,139	3,677
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,958)	(4,739)
Proceeds from sale of property, plant and equipment	7	19
Purchase of intangible assets	(410)	(530)
Purchase of investment securities	(38)	(20)
Proceeds from sale of investment securities	46	2
Payments into time deposits	(156)	-
Proceeds from withdrawal of time deposits	-	175
Purchase of shares of subsidiaries and associates	-	(287)
Payments for investments in capital	-	(500)
Long-term loan advances	(60)	-
Other, net	(48)	(86)
Net cash provided by (used in) investing activities	(4,619)	(5,967)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,504)	300
Proceeds from long-term borrowings	-	1,600
Repayments of long-term borrowings	-	(3,400)
Proceeds from issuance of shares	4,770	2,853
Repayments of lease liabilities	(747)	(322)
Dividends paid	(647)	(858)
Proceeds from exercise of employee share options	15	-
Purchase of treasury shares	(1)	(1)
Proceeds from issuance of share acquisition rights	20	-
Net cash provided by (used in) financing activities	1,905	171
Effect of exchange rate change on cash and cash	516	640

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
equivalents		
Net increase (decrease) in cash and cash equivalents	2,942	(1,478)
Cash and cash equivalents at beginning of period	12,352	15,295
Cash and cash equivalents at end of period	15,295	13,816

Notes to Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Changes in accounting policies)

1. Application of Accounting Standard for Revenue Recognition, etc.

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter the "Revenue Recognition Accounting Standard") and related measures have been applied from the beginning of the fiscal year under review. Accordingly, revenue is recognized at points where control over goods or services that the Group promises to provide is transferred to customers and in amounts that it expects to receive in exchange for such goods or services. Revenue-recognition method for mold sales transactions has been changed to the method in which revenue is recognized at the time when a mold is received and inspected based on relevant sales contract. In transactions in which the Company supplies materials for a fee, the materials supplied for a fee were previously deemed to have ceased to exist. However, such supplied materials are no longer deemed as having ceased to exist if the Company is obliged to repurchase them.

The Company applies the Revenue Recognition Accounting Standard in accordance with the transitional handling stipulated in the proviso of Paragraph 84 of the standard. The Company adds or subtracts the amount of the cumulative effects on retained earnings at the beginning of the fiscal year to or from the retained earnings in cases where the new accounting policies are applied retroactively to periods before the beginning of the fiscal year. The Company began applying the new accounting policies to balances at the start of the fiscal year.

As a result, the impact from the application of the accounting standards on gains or losses in the fiscal year under review, retained earnings at the beginning of the fiscal year and per share information is negligible.

In accordance with the transitional handling stipulated in proviso of Paragraph 89-2 of the Revenue Recognition Accounting Standard, information for the previous fiscal year under review is not stated by the new method.

2. Application of accounting standard for fair value measurement, etc.

We started to apply the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard") at the beginning of the first quarter. Accordingly, we have decided to continue to apply the new accounting policies specified in the Fair Value Measurement Accounting Standard and related measures according to the provisional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This application has no impact on consolidated financial statements.

Segment and Other Information

[Segment information]

1. Overview of reported segments

Reporting segments of the Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

Building on the foundation of business divisions by product, which are result management units, the Group's reportable segments are categorized into the Vehicle Communication Equipment Segment, Circuit Testing Connectors Segment, and Wireless Communication Equipment, based on criteria such as proximate target markets.

The Vehicle Communication Equipment Segment manufactures and sells a wide range of products in response to needs for the miniaturization and hybridization of antennas for vehicle communication and social infrastructure systems, the diversification of media and the wider adoption of RFID (Radio Frequency Identification).

The Circuit Testing Connectors Segment manufactures and sells fine connectors for testing with excellent signal quality and high-speed testing capabilities for high-performance, high-density, and high-integration semiconductor and electronic component areas, providing solutions in response to customer needs for a wide range of uses from front-end to back-end testing.

The Wireless Communication Equipment Segment manufactures and sells fine connectors that meet the needs for diversification and sophistication mainly for mobile communications and POS terminals. Moreover, the Medical Device Business (related components and units) in this segment manufactures and sells OEM guide wires, catheters, and other micro precision parts for the minimally invasive medical equipment market.

2. Method of calculating net sales, profit (loss), assets and other items by reporting segment

Accounting procedures for reported business segments are generally the same as those used for the consolidated financial statements. Reported segments' profit is based on Operating profit. Intersegment sales and transfers are based on actual transactions.

3. Sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2021

(Unit : Million yen)

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Net Sales						
Sales to third parties	37,292	13,242	9,441	59,976	—	59,976
Inter-segment transactions and transfers	—	—	—	—	—	—
Total	37,292	13,242	9,441	59,976	—	59,976
Segment profit or loss	433	2,682	2,062	5,177	1	5,179
Segment assets	21,884	9,309	5,095	36,289	20,579	56,868
Other items						
Depreciation	1,580	902	504	2,987	—	2,987
Increase of Property, plant and equipment & Intangible assets	2,204	1,821	404	4,430	—	4,430

Notes :

1 “Other” in the segment profit or loss of 1 million yen was account for as a result of offsetting intra-group transactions.

2 “Other” in the segment assets of 20,579 million yen consisted mainly of surplus funds (cash and deposits) and long-term investments (investment securities).

3 Segment profit has been adjusted to operating profit stated in the consolidated statement of income.

Fiscal year ended March 31, 2022

(Unit : Million yen)

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Net Sales					—	
Japan	14,078	1,538	2,962	18,579	—	18,579
Europe and America	15,959	2,779	727	19,466	—	19,466
Asia	10,043	13,307	5,450	28,801	—	28,801
Revenue from contracts with customers	40,081	17,625	9,141	66,848	—	66,848
Sales to third parties	40,081	17,625	9,141	66,848	—	66,848
Inter-segment transactions and transfers	—	—	—	—	—	—
Total	40,081	17,625	9,141	66,848	—	66,848
Segment profit or loss	△1,443	4,871	1,256	4,684	—	4,684
Segment assets	30,286	10,160	6,004	46,450	20,419	66,870

	Reportable segment				Other	Total
	Vehicle Communication Equipment	Circuit Testing Connector	Personal Communication Equipment	Total		
Other items						
Depreciation	1,721	1,048	532	3,302	—	3,302
Increase of Property, plant and equipment & Intangible assets	3,184	1,202	706	5,092	—	5,092

Notes :

1 “Other” in the segment assets of 20,419 million yen consisted mainly of surplus funds (cash and deposits) and long-term investments (investment securities).

2 As described in “(Changes in accounting policies)”, the Revenue Recognition Accounting Standard has been applied from the beginning of the fiscal year.

【Related Information】

Fiscal year ended March 31, 2021

1. Information by products and services

Since the Group makes reports based on a management approach having business divisions by product as the foundation, this information is omitted.

2. Information by areas

① Net Sales

(Unit : Million yen)

Japan	Europe and America	Asia	Total
19,587	17,272	23,116	59,976

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain, Germany, France and others

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and others

3 Overseas sales are sales posted by the Company and consolidates subsidiary in countries or regions other than Japan.

4 Sales in Europe and the United States includes sales in the United States amounting to 15,079 million yen.

② Property, plant and equipment

(Unit : Million yen)

Japan	Europe and America	Asia	Total
5,339	65	8,504	13,909

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain and Germany

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and Philippines

3 Sales in Asia includes sales in China amounting to 2,682 million yen, Vietnam amounting to 2,373 million yen and Malaysia amounting to 2,622 million yen.

3. Information by main customer

(Unit : Million yen)

Name of the customer	Sales	Associated segment
Toyota Motor North America, Inc.	6,990	Vehicle Communication Equipment

Information on impairment losses for non-current assets in reportable segments

No item to report.

[Information on amortization of goodwill and unamortized balance by reportable segment]

No item to report.

[Information on gain on bargain purchase by reportable segment]

No item to report.

Fiscal year ended March 31, 2022

1. Information by products and services

Since the Group makes reports based on a management approach having business divisions by product as the foundation, this information is omitted.

2. Information by areas

① Net Sales

(Unit : Million yen)

Japan	Europe and America	Asia	Total
18,579	19,466	28,801	66,848

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain, Germany, France and others

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and others

3 Overseas sales are sales posted by the Company and consolidates subsidiary in countries or regions other than Japan.

4 Sales in Europe and the United States includes sales in the United States amounting to 16,918 million yen.

② Property, plant and equipment

(Unit : Million yen)

Japan	Europe and America	Asia	Total
6,336	63	10,144	16,544

Notes :

1 Regions are segmented based on their geographical proximity.

2 Countries or regions included in each section are as follows.

(1) Europe and the United States: United States, Britain and Germany

(2) Asia: Hong Kong, Singapore, Malaysia, Taiwan, China, South Korea, Thailand, Vietnam and Philippines

3 Sales in Asia includes sales in China amounting to 2,982 million yen, Vietnam amounting to 2,530 million yen, Malaysia amounting to 2,586 million yen and Philippines amounting to 1,996 million yen.

3. Information by main customer

(Unit : Million yen)

Name of the customer	Sales	Associated segment
Toyota Motor North America, Inc.	7,562	Vehicle Communication Equipment

Information on impairment losses for non-current assets in reportable segments

No item to report.

[Information on amortization of goodwill and unamortized balance by reportable segment]

No item to report.

[Information on gain on bargain purchase by reportable segment]

No item to report.

(Per share information)

(Unit : yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	1,640.21	1,899.19
Basic earnings per share	184.55	202.28
Diluted earnings per share	183.18	—

Notes:

1 As described in “(Changes in accounting policies)”, the Revenue Recognition Accounting Standard has been applied. The impact of this change on Basic earnings per share is immaterial.

2 The basis for calculation of Basic earnings per share and Diluted earnings per share are as follows.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (million yen)	3,818	4,663
Amount not belonging to common shareholders (million yen)	—	—
Profit attributable to owners of parent regarding common stock (million yen)	3,818	4,663
Average number of common stock during the fiscal year (thousand shares)	20,689	23,053
Diluted net earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	—	—
Increase in the number of common stock (thousand shares)	154	—
(Subscription rights to shares included (thousand shares))	(154)	—
Overview of dilutive shares not included in the calculation of diluted net earnings per share because they have no dilutive effect	—	—

Significant Subsequent Events

No item to report.